

1-1 By: Paddie (Senate Sponsor - Hughes) H.B. No. 2275  
 1-2 (In the Senate - Received from the House April 24, 2017;  
 1-3 May 3, 2017, read first time and referred to Committee on Business  
 1-4 & Commerce; May 17, 2017, reported favorably by the following vote:  
 1-5 Yeas 8, Nays 0; May 17, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Hancock	X			
1-8 Creighton	X			
1-9 Campbell	X			
1-10 Estes	X			
1-11 Nichols	X			
1-12 Schwertner	X			
1-13 Taylor of Galveston			X	
1-14 Whitmire	X			
1-15 Zaffirini	X			

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to the regulation of a service contract.  
 1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
 1-21 SECTION 1. Section 1304.003(b), Occupations Code, is  
 1-22 amended to read as follows:  
 1-23 (b) A service contract described by Subsection (a)(2)(A)  
 1-24 may also provide for:  
 1-25 (1) incidental payment or indemnity under limited  
 1-26 circumstances, including towing, rental, and emergency road  
 1-27 service;  
 1-28 (2) the repair or replacement of a product for damage  
 1-29 resulting from a power surge or for accidental damage incurred in  
 1-30 handling the product; ~~or~~  
 1-31 (3) identity recovery, if the service contract is  
 1-32 financed under Chapter 348 or 353, Finance Code; or  
 1-33 (4) the replacement of a motor vehicle key or key fob  
 1-34 in the event the key or key fob is inoperable, lost, or stolen.  
 1-35 SECTION 2. Section 1304.1581, Occupations Code, is amended  
 1-36 by adding Subsection (g) to read as follows:  
 1-37 (g) Notwithstanding Subsection (b)(1) or (c)(1), a provider  
 1-38 is not required to deduct the amount of any claims paid under a  
 1-39 service contract from the amount of a refund required under this  
 1-40 section.  
 1-41 SECTION 3. Section 1304.159, Occupations Code, is amended  
 1-42 by adding Subsection (d) to read as follows:  
 1-43 (d) Notwithstanding Subsection (c), a provider is not  
 1-44 required to deduct the amount of any claims paid under a service  
 1-45 contract from the amount of a refund a service contract holder is  
 1-46 entitled to under this section.  
 1-47 SECTION 4. The changes in law made by this Act apply only to  
 1-48 a service contract entered into or renewed on or after the effective  
 1-49 date of this Act. A service contract entered into or renewed before  
 1-50 the effective date of this Act is governed by the law in effect  
 1-51 immediately before the effective date of this Act, and that law is  
 1-52 continued in effect for that purpose.  
 1-53 SECTION 5. This Act takes effect September 1, 2017.

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